

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4557

ANSWERED ON:29.03.2017

GST in Real Estate Sector

Adsul Shri Anandrao ;Munde Dr.Pritam Gopinath;Raut Shri Vinayak Bhaurao;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Yadav Shri Dharmendra

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

(a) whether Goods and Services Tax (GST) would lead to rise in prices of real estate sector;

(b) if so, the details thereof;

(c) whether the Ministry of Housing and Urban Poverty Alleviation requested the Ministry of Finance for exempting affordable housing from service tax under the GST regime so that prices for low-cost homes do not rise;

(d) if so, the response of the Minister of Finance thereon;

(e) whether the Union Government has requested the State Governments to waive stamp duty for affordable housing projects and rationalize it for others;

(f) if so, the response of the State Governments thereon; and

(g) the extent to which the real estate sector will benefit from the implementation of GST?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION

(RAO INDERJIT SINGH)

(a), (b) & (g): No such information is available with Ministry of Housing & Urban Poverty Alleviation.

(c) & (d): Ministry of Housing & Urban Poverty Alleviation has suggested to Ministry of Finance in respect of the Finance Bill, 2017 that the service tax exemption should continue for affordable housing even under GST.

Response of Ministry of Finance is awaited.

(e) & (f): Ministry of Housing & Urban Poverty Alleviation vide letters dated 11.05.2016 and 02.03.2017 has requested the Hon'ble Chief Ministers / Administrators of all States/Union Territories to consider rationalization/waiver of stamp duty for affordable housing projects.

The Madhya Pradesh Government is providing reduced rates for stamp duty to Economically Weaker Sections (EWS), Lower Income Group (LIG) and Middle Income Group (MIG) for houses made by Development Authorities and Housing Board.

The State Government of Haryana has rationalized stamp duty from 12.5% to 5%. Further a reduction of 2% stamp duty is being granted in case of women and there is complete exemption in case of transfer of property between family members.

Subsequent to the launch of Pradhan Mantri Awas Yojana (PMAY) (Urban), the Government of Rajasthan is charging a stamp duty for EWS at Rs. 50 per flat and for LIG at Rs. 100 per flat.

Similarly, Government of Maharashtra has reduced the stamp duty to Rs. 1000 for residential premises upto an area of 30 sq. mts. belonging to EWS.

No stamp duty for affordable housing is being charged in Andhra Pradesh.
